

<u>Appn. Number</u>	<u>10/032,535</u>	<u>(Shaw, John)</u>	<u>GAU 3628</u>	<u>Amnt. D</u>	40
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APPENDIX

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FAX NO.

P. 01

EXHIBIT 1

In the United States Patent and Trademark Office

Serial Number: 10/032,535

Appn. Filed: 01/02/2002

Applicant(s): John Shaw et al.

Appn. Title: Method and System for Facilitating Secure Transactions

Examiner/GAU: Harbeck, Timothy / 3628

Declaration of Steven Levy

I, STEVEN LEVY, being over the age of eighteen and competent to testify, make the following declaration;

1. In 1991 I co-founded The Macgregor Group, a company specializing in order management systems (OMS) for the securities industry. I was President and CEO of the company until its recent sale. I have over 18 years experience in the business.
2. I hold a BS in Computer Science, a BS in Electrical Engineering and an MS in Computer Science from the Massachusetts Institute of Technology. I am a Chartered Financial Analyst and a member of the Boston Securities Analyst Society.
3. Since 1992, Macgregor has developed and provided order management systems for the securities industry.
4. I am very familiar with the order management systems offered by Macgregor's competitors, including the Instinct OMS discussed in the article "Making Connections In Off-Exchange Trading", by Victor Kulkosky. I have reviewed the Kulkosky article.
5. I have also reviewed U.S. Patent No. 5,924,082, particularly the ranking and filtering features described therein.

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P. 02

EXHIBIT 1 (Cont.)Appn. Number 10/032,535 (Shaw, John) GAU 3628 Declaration of Steven Levy

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6. The Instinet OMS discussed in the Kulkosky article was not configured for the ranking and filtering features described in U.S. Patent No. 5,924,082, nor was it capable of handling such features without prior modification. Said another way, users could not have entered ranking and filtering data right into the Instinet OMS, without first modifying the OMS to accept and store such data.
7. The Kulkosky article mentions that Instinet OMS users can enter lists of orders with "defined trading strategies". However, with respect to the Instinet OMS, "defined trading strategies" do not in any way contemplate or encompass the ranking and filtering features described in U.S. Patent No. 5,924,082. Rather, "defined trading strategies" refers to price rules (pricing your order passively or aggressively), order slicing (setting order sizes), and order routing (which crossing networks you want to connect to).
8. In sum, with respect to the Instinet OMS, "defined trading strategies" involve specific aspects of *a user's particular order*. They do not involve characteristics of a potential contraparty or the contraparty's order, as in the ranking and filtering features described in U.S. Patent No. 5,924,082.

The undersigned being hereby warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. §1001, and that such willful false statements and the like may jeopardize the validity of this document, declares that all statements made of his own knowledge are true and that all statements made on information and belief are believed to be true.

March 3, 2006
Date

Steven Levy
Steven Levy

EXHIBIT 2

BIOGRAPHY

*Steven D. Levy, CFA
Co-Founder, President and CEO
Macgregor*

Since founding the company in 1991, Mr. Levy has built Macgregor into one of the premier global investment technology companies in the financial industry today. With a unique vision for the developing role of technology in the buy-side investment community, he keeps Macgregor well ahead of the changing needs of the marketplace.

In 1994, Mr. Levy successfully transitioned the company from an information systems consulting and custom development firm to a supplier of productized buy-side trade automation technology, including the industry's first windows-based trade order management system, Predator.

Mr. Levy spearheaded the 1999 acquisition of Merrin Financial from ADP, and positioned the company for substantial growth by securing \$32 million in venture capital funding in the second half of 2000.

Prior to founding Macgregor, Mr. Levy was Vice President and Quantitative Analyst at Putnam Investments. There he led the development of a suite of software tools that enabled the rapid creation of integrated investment applications in distributed, heterogeneous environments. Mr. Levy also pioneered the use of client/server architecture at the firm.

Before joining Putnam, Mr. Levy worked in the Artificial Intelligence (AI) Group at Salomon Brothers, applying AI techniques to CMO trading and issuance. Mr. Levy also held positions with the AI Group at the Xerox Palo Alto Research Center, and the MIT Sloan School of Management Center for Information Systems Research.

Mr. Levy holds a BS in Computer Science, a BS in Electrical Engineering and an MS in Artificial Intelligence from the Massachusetts Institute of Technology. He is a Chartered Financial Analyst and member of the Boston Securities Analyst Society.

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EXHIBIT 3

Chou '504 and Silverman '501:

- Automatic execution system
- Complete confidentiality

Silverman '082:

- Negotiated system
- Not complete confidentiality

Versus the Invention:

- Negotiated system
- Complete confidentiality

THE INVENTION BREAKS THE PREVIOUS PARADIGM THAT NEGOTIATED
SYSTEMS CANNOT BE COMPLETELY CONFIDENTIAL

EXHIBIT 42/15/06

Agreed:

An intended purpose of Chou is to cut costs, and he does this by eliminating one-to-one ~~direct~~ negotiation.

Consider:

— Take elements of 59 and bring up into main claim

— Claim 52: take out "facilitating";
take out "adapted to";
take out "substantially";

— Look at Claim 1 → change line 1 language so as to eliminate any possible confusion / misinterpretation

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